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JAPAN

*A Guide
for Canadian Exporters*



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JAPAN

A Guide for Canadian Exporters

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External Affairs
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I. Background Information

Geography

Occupying a land area of 377,000 km² (145,560 sq. mi.), roughly 40 per cent of the size of British Columbia, Japan is composed of four main mountainous islands: Hokkaido, Honshu, Shikoku and Kyushu. Sixty-nine per cent of the land is forested, 16 per cent cultivated, and the balance urban, grassland, or waste.

The climate is temperate with warm, humid summers and generally sunny, cold, dry winters. The climate of Tokyo is similar to that of Washington, D.C..

The best time to visit Japan is during the early spring, late fall and winter.

Population

With 118 million people, Japan is the world's seventh most populous country. Of this highly homogeneous society (99.2 per cent ethnic Japanese) 72 per cent live in urban areas. Tokyo, the capital, has a population of 12 million. Other cities with populations of more than a million include: Osaka, Nagoya, Yokohama, Kyoto, Kobe, Sapporo and Kawasaki.

Although some English is used commercially, the number of Japanese able to speak fluent English is limited.

Religion

Buddhism, which came to Japan via China in the 6th century, and of which there are many sects, and Shinto (the Way of the Gods), which is the traditional cult of the land, are the principal religions in Japan. Neither religion is exclusive and strict adherents are few. There are many ancient Buddhist temples and Shinto shrines throughout the country. There are also various Christian denominations and in most of the large cities, notably Tokyo and Kobe, visitors should have no difficulty in finding a church of their choice.

Government

Since 1947 Japan has been a constitutional monarchy. The Diet, or national legislature, is divided into two houses: the

House of Representatives and the House of Councillors, elected by universal suffrage. The executive is chosen from the Diet according to the parliamentary cabinet system. The ruling party is the Liberal Democratic Party, with the Japan Socialist Party the leading opposition party.

Public Holidays

New Year's Day	January 1
Adults' Day	January 15
National Foundation Day	February 11
Vernal Equinox	March 20 or 21
Emperor's Birthday	April 29
Constitution Memorial Day	May 3
Children's Day	May 5
Respect for the Aged Day	September 15
Autumnal Equinox	September 23 or 24
Sports Day	October 10
Cultural Day	November 3
Labour Thanksgiving Day	November 23

Government and business offices are usually closed January 2 and 3. In practice, little work is done during the last few days of December and the first week in January. Businessmen are advised to avoid visits during this period. Visits should also be avoided during Golden Week, the week during which the National Holidays on April 29, May 3 and May 5 fall, as many Japanese businessmen take extended holidays at the time.

Weights and Measures

Japan uses the metric system: containers for wholesale and retail sales must be labelled in metric units, but non-metric container sizes are permitted. Many imported food products enter in normal packaging to which Japanese language labels are added. As volume builds, however, consideration must be given to labelling and packaging for Japan at the point of production.

Electricity

Electricity for domestic use is supplied at 100 volts, 60 cycles AC in west Japan (Osaka) and at 100 volts, 50 cycles AC in east Japan (Tokyo).

Local Time

Add 14 hours to Eastern Standard Time.

Japanese Business Hours

- Banks:** 09:00 to 15:00 Monday to Friday
09:00 to 12:00 Saturday
- Commercial Offices:** Usually 09:00 to 17:00 Monday to Friday, although it is unusual for companies to accept appointments before 10:00 a.m. While many offices still open on Saturday mornings, the major companies' offices close.
- Department Stores:** 10:00 to 18:00 (there is no fixed day for the weekly holiday; department stores usually close on Wednesday or Thursday)
- Government Departments:** 10:00 to 17:00 Monday to Friday
(Saturday to 12:00 noon)

II. Your Business Trip to Japan

When planning your first business visit to Japan, advise the Commercial Section of the Canadian Embassy in Tokyo well in advance of your departure. If time is short, use Telex (Telex number DOMCAN J22218) to communicate the objectives of your visit. The Embassy also has G2 facsimile equipment. The number is: 03-479-5320. It is also helpful if you work out the c.i.f. prices in U.S. dollars on at least part of your product range, indicate the types of companies that normally best handle your products, mention customers in other markets, and also mail copies of your annual report and product brochures (6 copies) to identify you to the Japanese customer.

With this information the Commercial Division will be pleased to arrange a tentative itinerary and make appointments on your behalf which you can confirm on arrival. Because of the increasing numbers of Canadian businessmen visiting Canada's trade posts abroad, it is recommended that you leave arrangements for hotel reservations to your travel agent.

Getting There

Businessmen who hold valid Canadian passports do not require visas to visit Japan unless they wish to remain for more than three months or take up employment. However, the period of stay granted to those not holding visas will be decided by the Japanese immigration authorities at the time and point of entry. Applications for extension of the initial period of stay will be considered by the Japanese authorities. Businessmen holding other than Canadian passports, including U.S. and Australian, **do need visas** and should consult the nearest Japanese Consulate for details. In accordance with the Japanese Alien Registration Law, short-term visitors to Japan must have passports in their possession at all times.

Visitors arriving from Canada do not require a vaccination against smallpox. Smallpox, typhoid and cholera certificates may be required if visitors arrive from infected countries including most Asian countries. Airline and shipping companies should be consulted when making travel arrangements.

Japan is a healthy country. Modern medical facilities are available in the large cities and the services of English-speaking doctors and dentists can be obtained at most international hotels. The water is safe to drink anywhere in the country and one need take no more precautions over food than in Canada.

Both CP Air and Japan Air Lines (JAL) have direct flights between Vancouver and Tokyo; PanAm, Northwest Orient and JAL have direct New York-Tokyo flights. Consult your travel agent for specific times of departure. As it usually takes a day or two to get over the effect of "jet lag", it is recommended that you plan your schedule to arrive on a Friday or Saturday if possible.

Arriving at Tokyo Airport (Narita)

Most overseas flights into the Tokyo area land at Narita Airport, approximately 65 km (40 miles) from the centre of Tokyo itself. Unless you are being met by someone, you will need to find your way into the city by one of several means. The simplest way for a first time arrival is to take the Limousine Bus from the airport to the central Tokyo City Air Terminal or major hotels serviced by the limousine bus. The ticket office is outside the customs inspection area on the arrival level and buses wait outside at Position One. The fare is currently ¥2,500 and it takes about 70 minutes, depending on traffic. Your luggage goes with you and on arrival you pick it up again on a lower level at the Terminal. From here you can take a taxi to your hotel, which is about ¥2,000-3,000. The total cost of getting from the airport to the hotel would be about \$23. Taking a taxi direct from Narita to your hotel would probably set you back the equivalent of \$75. You will be glad to discover that Japanese hotels offer an excellent standard of service and all the comforts you are used to at home.

Business Cards

It is customary to exchange business cards with new acquaintances in Japan. This is particularly useful to the foreign visitor who is likely to have difficulty in remembering more than a few Japanese names at a time. Take a substantial quantity of business cards with you. They should be printed with a Japanese translation on one side and be 5-1/2 x 9 cm for filing into special name card holders. As CP Air offers this service at a modest cost, it is best to have them printed in Canada prior to departure although it can be arranged within 48 hours after your arrival in Japan.

Currency Regulations

On leaving Japan, yen may be reconverted into the original currency up to the amount recorded on the document issued by banks and authorized money exchangers at the time of the conversion (or up to approximately U.S.\$3,000 or its equivalent without such documentation).

Travellers' cheques can be cashed at the principal foreign exchange banks and hotels. All payments, however, must be made in yen.

The Japanese monetary unit is the yen (¥). Bank of Japan notes in circulation are in denominations of 500, 1,000, 5,000 and 10,000 yen and occasionally 100-yen notes. Coins in general use are 1, 5, 10, 50, 100 and 500 yen.

The exchange rate of the yen has been floating since 1973. From a rate of about 300 yen to the Canadian dollar in July 1976, the yen has appreciated to about 200 to the Canadian dollar in April 1983.

Major credit cards can be used at the larger restaurants and hotels in the main cities but it is wise to take along a sufficient amount of travellers' cheques to cover all anticipated expenses. U.S. dollars travellers' cheques can be converted into yen at the current rate of exchange more easily than Canadian dollar travellers' cheques.

Tipping

Confine your tipping to skycaps and railway redcaps, to a limit of ¥300 per piece of baggage (or the amounts indicated at airports and stations). Tipping elsewhere is not the custom and not expected. You will find service charges (10-15 per cent) added to bills at most places compensate for the "no tipping" custom.

Consular Services

The Department of External Affairs provides assistance to Canadians abroad through its embassies and consulates. The services are varied in scope covering such things as passport and notarial services, information on visas and entry requirements, assistance in cases of sickness, accident, loss of funds and problems with local laws. Should you require assistance in Japan contact the Consular Section, Tel: (03) 408-2101.

III. Japanese Business and Social Customs

It is recognized that Japan is not an easy market to enter and you need all the assistance you can muster.

With the help of the Canadian Embassy in Tokyo, you will be able to avoid calling on business prospects without a proper introduction. Japanese companies like to know ahead of time who you are and what organization you represent. You will not necessarily meet with top management at first as middle management in Japan can recommend and initiate high level decisions. Key decision makers come in at a later stage but may monitor all proceedings.

Be on time for your meeting and allow the whole day for it as meetings can run a long time, and maybe into the late evening. Often the meeting places are less spacious and well appointed than you are used to but this should not cloud your view. It is wise to be a little more formal than you might be at home at introduction time and during the meeting.

Have plenty of your business cards on hand as there may be more people present than you expected. Present your card with the Japanese side upwards. You will receive cards in return which you can keep for reference. Do not write on them or mutilate them as this is a sign of disrespect. However, you could arrange them in front of you as a kind of seating plan.

First meetings will probably begin with greetings and some overall talk about your country and the purpose of your visit at this time will only be brought in at a later instance. Time is taken to get to know each other and to judge your character and background. You will probably find someone with whom you can strike up a more personal relationship afterwards on a less formal level and this should be attempted and taken up with sincere goodwill, as it may prove to be just as important as the more ceremonial meeting.

Japanese, like their language, are traditionally evasive in a polite way and do not go in for direct approach. It pays to be patient and to remain flexible as Japanese are apt to do

business on both logical and emotional levels and are affected as much by the way of doing business as by the content. Strong sales pitches should not be given out nor should provocative questions be asked in such a direct manner that they require unequivocal answers. They could easily be resented. Smoothness is all important, without strong opinions being expressed.

From time to time there may be quiet periods when nobody speaks. This does not indicate indifference and this silence should not be broken by off the cuff remarks or jokes among yourselves. Take your time and adjust to the situation. Decisions in Japan are reached by consensus and by precedent and once a decision is made, this bond is binding. Therefore, you should be well prepared in every way. Have all your company facts and figures ready. Be sure you have clearance for any samples you are bringing. Be alert to follow up on any interest shown.

Language is likely to be the single largest problem you will encounter on your trip to Japan. The number of Japanese who speak fluent English is not great, and knowledge of other foreign languages is extremely limited. In Tokyo, and to a lesser extent in Osaka, a few people have an understanding of English but outside these centres you are really on your own.

Be sure to have explicit instructions written in Japanese before you embark on any trip, either inside or outside the cities. Don't expect to get by with a few words of Japanese if the going gets tough. Japanese is a difficult language to use even in its elementary form.

Major Japanese firms having dealings abroad will invariably have English-speaking staff. It is advisable, however, to hire your own interpreter. This ensures that your entire message is understood and emphasizes your seriousness. A good interpreter can also counsel you on approaches or as to how a meeting might have gone.

Remember that when using an interpreter, it is important to brief him or her on the vocabulary you may use. Speak slowly and clearly, and do not ramble — keep your sentences short but complete your thought.

Innumerable services, such as those of an interpreter, typing etc., can be arranged through your hotel. The Commercial Section of the Embassy can also assist, particularly where an interpreter requires specialized vocabulary. Expect to pay about \$125~\$350 per day plus travel expenses (depending on the technical specialization of

your talks, and on the seniority and experience of your interpreter).

As matters progress, you will be sure to enjoy typical hospitality and to be well looked after by your Japanese business associates. But do not expect to be invited into a Japanese home as this is rarely done even among themselves. While the Japanese do not expect foreigners to understand the finer points of their etiquette, they appreciate it if you make an effort. For example, it is not correct to walk on the straw matting (tatami) in a Japanese restaurant or home in shoes or slippers, so you should remove them when entering.

Most Japanese meals are composed of a series of small dishes. Naturally, it is polite to eat what is offered but hosts are understanding if their foreign guests decline a particular dish (raw fish for example).

It is not always necessary that you reciprocate hospitality at the time but it is important that you extend warm thanks then and later when you meet or correspond. If your Japanese contact visits Canada, you have a chance to reciprocate. One meaningful way to say thank you would be to take some typical Canadian souvenirs with you for just such a purpose. As you are allowed to take three bottles of liquor into Japan, you could include some top-quality Canadian whisky in your luggage.

Most Japanese businessmen are enthusiastic golfers and may offer to arrange a game (and the loan of clubs) for their foreign business contacts. A game of golf is an excellent way to cement a personal friendship in Japan. Green fees are high and courses are out of town so allow plenty of time for travel. There is no such thing as a "quick" game of golf in Japan.

IV. Getting Around in Japan

Taxis

You will probably take taxis for most of your trips around the cities. Before setting out, be sure that your taxi driver knows exactly where you want to go since both communication and directions are difficult. If in doubt, have someone write out directions and draw a map for you to give to the driver. The information desks at most hotels are only too pleased to do this for you. Taxis are plentiful and often the most convenient way to get around in cities. They can be flagged or picked up at taxi stands; phoning for a cab is rare — as the meter is turned on the moment the driver sets out to find you. Remember not to tip the driver and that the rear nearside passenger door is remotely opened by the driver — so you do not have to tug on it.

Buses

Aside from organized bus tours, it is better to avoid public buses altogether since little English is spoken by drivers or passengers and route signs and maps are written in Japanese only.

Cars

A business visitor, particularly in the cities, will find it more convenient to rely on public transportation and taxis than to drive — as directions are difficult and parking often nonexistent. Cars can be rented, however, and all that is required is a valid International Driver's Licence. Limousines may be hired at the leading hotels, but they are expensive.

Trains and Subways

Excellent train service is available throughout Japan. There are many fast trains that service all major points in the country. Be sure to reserve seats well ahead of time. Reservations can be made through travel agents or the Japan Travel Bureau. Your hotel front desk will help you.

For the adventuresome, the subway system is not too difficult to use and English maps are available from your hotel. The routes are colour coded to conform with the colours of each line and station names are shown in English at each stop.

Planes

For longer trips within Japan, you may want to take advantage of the frequent, top-flight air services. Again reserve ahead through a travel agent or the Japan Travel Bureau. Domestic flights use Haneda Airport in Tokyo located relatively close to the downtown area accessible by monorail, taxi or airport bus.

Restaurants and Entertainment

All kinds of Western and Japanese entertainment and food are available. Western-style clubs and food, popular with the Japanese, tend to be expensive. A steak dinner for two with a drink beforehand, but with no wine or liquor, can cost \$100 or more. Clubs can be even more expensive. Most of the entertainment aside from restaurants, theatres and hotel floor shows, is for men only.

Postal, Telegraph, Telephone and Telex Facilities

Many firms in Japan use post office box numbers; this is the best way of ensuring delivery. Japanese addresses in Romanized letters should be typed and not handwritten to avoid delay. Wherever possible a letter should be addressed to a particular individual in the Japanese company.

Once business relations have been established with a Japanese firm, telex is the most efficient means of communication.

Most major hotels provide telex and international telegraphic facilities for business visitors.

The internal telephone system is automatic. Local calls can be made from red public booths or telephones in shops at ¥10 for a call of three minutes. Long distance calls within Japan can also be made from yellow public telephones. The minimum cost is ¥10 for a few seconds, but one can talk longer by depositing coins each time a signal sounds.

Sightseeing

There are many interesting places to visit in Tokyo and environs, and a number of convenient one-day tours out of the city. Ask in your hotel for information about trips to Nikko and Hakone. You will need more time to visit Kyoto. Special-interest and industrial tours can also be conveniently arranged at your hotel.

V. The Canada Trade Centre in Tokyo

The Canada Trade Centre (CTC) opened its doors for the first time in January 1979, thereby providing Canadian exporters of manufactured products with a facility to promote their products in Japan through trade shows and individual displays.

Since 1979, the CTC has featured a number of exhibitions covering a wide range of manufactured products from all across Canada. A total of 59 shows (including 19 solo shows) were held since the opening of the facilities. As of March 31, 1983, some 250 new companies had exhibited their products at the CTC. On-site sales were reported at \$12 million with follow-up sales estimated at \$116 million.

The CTC is located in the World Import Mart building, part of a complex known as "Sunshine City" in Ikebukuro in northwest Tokyo. "Sunshine City" is a billion dollar development comprising a 60-storey office tower, a 1,200-room first-class hotel, the 11-storey World Import Mart and the 12-storey Culture Centre building. The CTC facility comprises 300 square metres, is of flexible design, allowing the staging of various special interest trade shows.

There is no doubt that the CTC has helped increase the levels of Canadian exports of manufactured goods to Japan. Statistics show that between the end of 1978 to the end of 1982, total exports of manufactured goods to Japan reached \$260 million, an increase of \$120 million over the 1978 annual figure.

The CTC does not replace international fairs but it does prepare Canadian exporters with little or no experience in Japan to enter the Japanese market. It is comparable to a trade mission which, instead of having a series of meetings in various locations across Japan, takes place in one locale to which potential customers are invited. Consequently, and this sometimes comes as a surprise to Canadian exporters experienced in large European and American fairs, the number of visitors to a typical CTC show is comparatively small. However, show attendance is the result of a direct mailing tailored to the particular event and products exhibited, each visitor walking into a

CTC show has a genuine interest in the products being shown and is a potential buyer. This approach often leads to the appointment of a representative in Japan.

Decisions are not taken quickly in Japan and apart from certain exceptions, Canadian exporters should not expect to have a contractual relationship with a representative in Japan before a year of subsequent negotiations following a CTC show. However, once a solid relationship has been established with a Japanese counterpart, then comes the time to participate in larger international exhibitions, in co-operation with the representative, in order to reach the larger audience afforded by such an event.

The Commercial Division of the Canadian Embassy in Tokyo is responsible for the CTC and is eager to make even fuller use of the facilities at the disposal of Canadian exporters in Tokyo. Individual Canadian companies have been encouraged to take advantage of the CTC to stage solo shows, i.e., exhibiting their own products for periods of up to one week, depending on the availability of space. In such a case, of course, each company is financially responsible for display equipment, interpreters and other variable costs although the arrangements can be made through the Embassy. The CTC is however very well equipped (display panels, lighting, electrical connections, furniture, kitchen, etc.) and is available at nominal cost (approx. \$100) to cover post-show cleaning.

It is realized that export priorities may differ from one region of Canada to another and consequently, provincial governments are also encouraged to make use of the CTC.

The province of Ontario was the first provincial government to use the CTC, holding the "Ontario Canada Houseware Products Show" from March 29-31, 1983. Some 12 companies participated, and the show was very successful.

Any enquiries concerning possible participation in a group or solo show at the CTC in Tokyo should be directed either to the Commercial Section, Canadian Embassy, Tokyo, or the Department of External Affairs (see address page 00). A film on the CTC is also available on request from all Regional Offices.

VI. Economy and Foreign Trade

General

Japan's post-war economy grew at unprecedented rates with GNP from 1961-1970 increasing at an average of more than 10 per cent per year in real terms. This unparalleled performance, surpassing all other major industrial countries ended abruptly in late 1973 as inflationary pressures and heavy deficits in the balance of payments caused Japan's most severe recession since World War II. The tripling of oil prices created particular difficulties for a country which depends on imports for 99.7 per cent of its oil requirements.

Growth since the first oil crisis has been more moderate, but still strong compared with other OECD countries. Growth in the 1970s averaged 5 per cent. The first years of the 1980s have seen lower growth rates and the forecasts for 1982-1983 range between 2.5 and 4.5 per cent.

Unemployment is moderate by world standards. With the world recession affecting Japan there has been a slight deterioration in unemployment moving from 2 per cent in 1980 to 2.4 per cent in mid 1982. Inflation rates have remained moderate over the past few years, falling from the 1980 figure of 7.4 per cent to 2.4 per cent in early 1983.

Over the past two years, consumer spending has been steady but below the rate of the 1970s. The index of production for mining and manufacturing industries has also shown marked improvement from a low of 115.7 in 1977, rising to 146.8 at the end of 1981 (100 = 1975). Most Japanese industry, with high debt-equity ratios and a system of life-time employment, requires continued high production levels to service debts and cover fixed costs including labour. To maintain production levels when domestic markets are stagnant, Japanese industry tends to rely on export sales.

Trade and Economic Policy

Japan's industry is among the world's leaders in such fields as automobiles, steel, electronics and chemicals. To earn the foreign exchange necessary to pay for raw materials and foodstuffs, Japanese industry must export, and must remain efficient and competitive.

However, in the last few years, this surge in exports has resulted in a large and growing balance-of-trade surplus. The concentration of Japan's exports to the U.S. and the EEC in sensitive sectors (steel, automotive products, electronic goods) has caused serious dislocations and provoked strong criticisms and threats of protectionism. The strength of Japan's export drive began to be reflected in the value of the yen, which has declined considerably against the Canadian dollar in recent years. The low level of the Japanese yen vis-a-vis the dollar has kept Japanese exports very competitive.

In early 1982, the Japanese government introduced measures to stimulate imports, such as tariff and non-tariff barrier liberalization, advance purchases of materials for stockpiling and expansion of import financing facilities. However, the most effective method of increasing imports and reducing exports would be to expand the domestic demand for all goods—foreign and domestic—an approach attempted with limited success to date.

Future Prospects

The Japanese government appears to have accepted the fact that the economy is done with the high growth rates of the 1950s and 1960s, and has entered a phase of modest, and stable growth (less than five per cent annually). At the same time there is an awareness that imports must increase in order to lower Japan's sizable trade surplus with most other industrialized countries. Emphasis is being placed on high-technology, energy-efficient industries in the next decade, allowing less efficient or less competitive industries to die or go offshore. Japanese companies, partially in response to the "trade friction" issues, have also been more active in establishing production relationships overseas and are often interested in having local partners.

Canada-Japan Trade

Canada-Japan trade are based on the General Agreement on Tariffs and Trade (GATT) and the Canada-Japan Agreement on Commerce of 1954.

The development of Canada-Japan trade and economic relations has been largely attributable to natural economic forces; Canada has an abundance of resources needed by Japan and offers an attractive market for the products of Japanese industry. Despite continued widespread recession among the advanced countries of the world, bilateral trade continued to set new records in 1982, exceeding \$8 billion. The rapid increase in bilateral trade over the past decade has also begun to reflect Canada's industrial capability encompassed by the related areas of capital and technology flows to a greater degree than in the past. Canadian exports of fully manufactured and high-technology goods to Japan exceeded \$250 million in 1982. The figure is expected to continue to grow at a healthy pace.

Since 1973, Japan has been the second most important customer for Canadian exports after the United States. Canada was Japan's ninth largest trading partner in 1981. Following a slight decline in 1975, total bilateral trade has since increased from year to year. Trade figures indicate that Canadian exports to Japan have increased from \$2.4 billion in 1976 to \$4.5 billion in 1982.

Canadian exports have been largely industrial materials and unprocessed foodstuffs, but the share of manufactured and processed goods is increasing. Japanese exports to Canada are almost entirely composed of manufactured goods.

Although Japanese investment in Canada has grown from the negligible levels of a decade ago to reach \$1.08 billion as of March 1982 (Japanese Government statistics), this level accounts for less than one per cent of total foreign investment in Canada and comprises less than three per cent of Japanese foreign direct investment abroad. Canadian investment in Japan totalled \$83 million as of 1978.

VII. Marketing Information

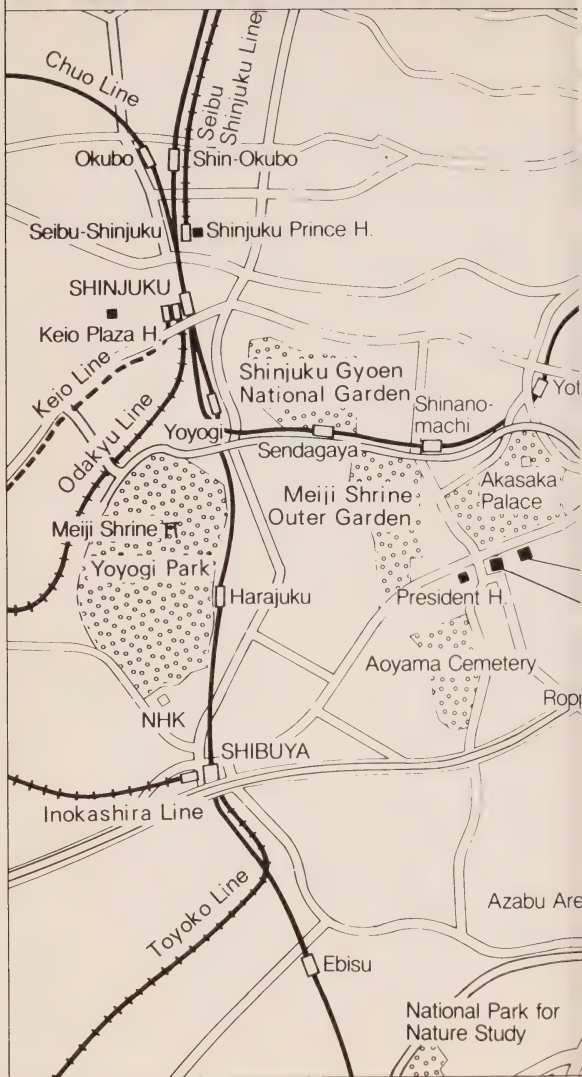
Merchandising and Distribution

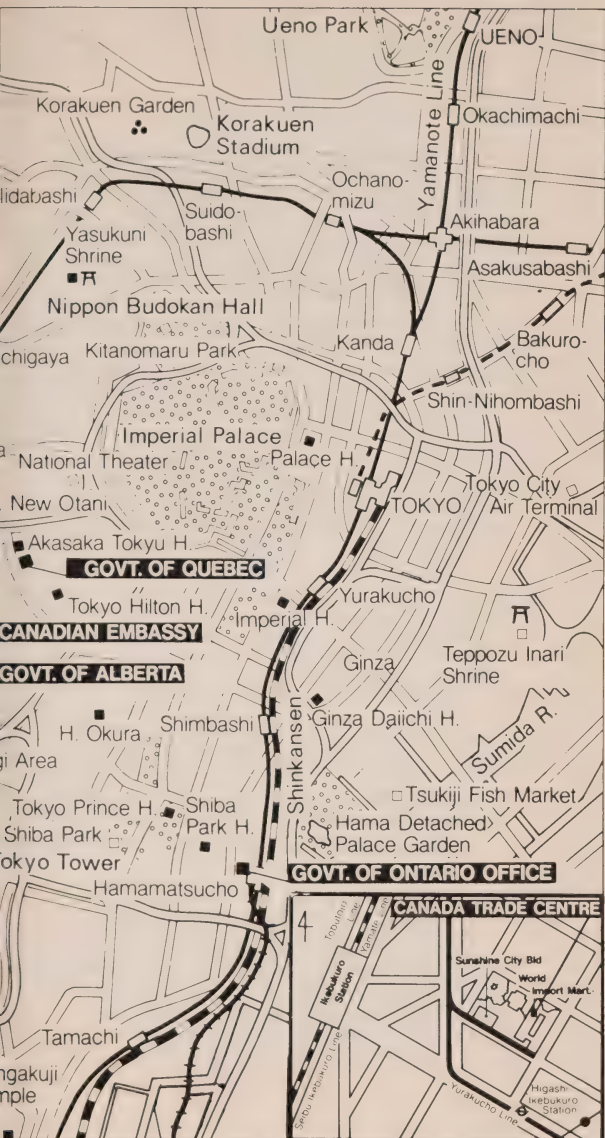
Japanese trading firms account for about 70 per cent of the country's import trade. The leading trading firms play key roles in the Japanese economy: they gather and disseminate vast amounts of commercial intelligence; they act as intermediaries within Japan's complex system of industrial financing; they are heavily involved in domestic foreign and third-country trade; and they are increasingly active in the planning and management of major overseas industrial projects. These companies handle a large number of different products, taking care of all phases of importing, including insurance, storage, transportation, comprehensive distribution and servicing. The top nine maintain a network of overseas offices and Canadian exporters can approach these firms through their branches in Canada (see Section X. APPENDIX, Useful Addresses).

In selecting a trading company, close attention should be paid to the Japanese distribution channel for the product involved. In many cases, it is advantageous to forego the wider connections of one of the giant trading firms in favour of a smaller, specialized firm which is often prepared to give more personalized attention and put greater effort into the promotion of products where the potential turnover is small. The Canadian exporter of manufactured products is sometimes best advised to deal with this kind of company. The Commercial Section of the Canadian Embassy in Japan will be pleased to assist you in locating a suitable representative.

Product distribution in Japan can be highly complicated—as in the case of consumer goods—or relatively simple, as in the case of industrial products with a limited number of end users. In approaching this system, the exporter must assess his own market by determining: where and in what quantities his product or similar products are being sold; the usual channels of distribution; the wholesalers with access to the largest share of the retail sector; and the suitability of the product to the Japanese taste. Again, the Commercial Section of the Embassy can help. Whichever approach is selected, the exporter should maintain close personal contact with his agent, trading company or wholesaler through frequent visits to Japan. The social aspects

A MAP OF TOKYO





of marketing in Japan are unique and require careful handling to avoid misunderstandings that will reduce the impact of the exporter's promotional activities.

Correspondence and Trade Literature

As English is Japan's foreign trade language, correspondence in English is acceptable, but may sometimes result in delays or misunderstandings. Correspondence is seldom a good substitute for frequent visits. Trade literature should be translated into Japanese once business is to be done. This can usually be done through, or with the co-operation of, the Japanese partner.

Advertising and Promotion

Advertising in Japan, to be effective, must be in Japanese. Japanese firms use television, press, radio, cinema, neon signs and posters as advertising media extensively for consumer goods. The cost of advertising can be prohibitively expensive for a company initially entering the market. Before any commitments are made it is best to discuss this subject with the Commercial Section of the Canadian Embassy which can provide detailed information on the use of various media.

Price Quotations

Prices should be quoted c.i.f. in U.S. dollars but f.o.b. prices are sometimes acceptable.

Terms and Methods of Payment

Imports into Japan can be settled by irrevocable letters of credit, documents-against-payment, documents-against-acceptance, or normal trade terms (up to one year). Exporters should investigate the credit standing of their customers before transacting business. Where capital equipment is involved the importer could ask for extended terms.

Banking Services

In Japan, commercial banks play an important role in financing the growth of the economy through direct investment in industry. The Bank of Tokyo for historical reasons has a special position in matters of foreign exchange. To serve domestic needs, there are about 15 large "city" banks (each with 100 to 200 branches throughout Japan) and 63 "local" banks (each with about 60 branches).

The Japanese government's Export-Import Bank is the principal institution for financing long-term export credits, raw material imports and investments in overseas enterprises (including joint ventures with foreign firms). Repayment terms are in principal up to five years for export and import and up to 10 years for overseas investment.

There are also several other banks with official status including: the Japan Development Bank, the Agricultural Finance Corporation and the Small Business Finance Corporation.

Five Canadian banks have branches in Tokyo.
(See APPENDIX for telephone numbers.)

Three Canadian investment dealers also have offices or representatives in Tokyo. They are: Richardson Green-shields of Canada Ltd., Dominion Ames & Co. Ltd. and Wood Gundy Ltd.

VIII. Shipping Services

Air Cargo

Both CP Air and JAL have several flights each week between Vancouver and Tokyo. In addition Air Canada and Concord Freight System Ltd. offer air/sea services from Japan worldwide.

Steamship Services

All major Canadian ports on east and west coasts, as well as on the Great Lakes, are serviced by numerous Japanese and other foreign steamship lines. Detailed information on schedules and ports of discharge can be obtained from the Department of Regional Industrial Expansion, Service Industries Branch, Tel: (613) 995-8107.

IX. Services for Exporters

Export Development Corporation

Of vital importance to Canadian businessmen is the Export Development Corporation (EDC), a Crown corporation that reports to Parliament through the Minister of State for International Trade. Its purpose is to encourage, facilitate and develop Canadian export trade by providing export credit insurance, guarantees, loans and other financial services to enable exporters to meet international competition. The main functions of EDC are:

1. to insure the Canadian exporter against non-payment due to credit or political risks beyond the control of the exporter when export sales are made on normal credit terms. Almost all export transactions are insurable, not only those involving goods or technical services, but also those involving "invisible" exports such as managerial services, advertising programs, the licensing or sale of patents, trademarks, copyrights, and the like;
2. to issue appropriate guarantees to financial institutions providing supplier financing in respect of an export sale. Guarantees may also be issued in connection with a loan made to a foreign buyer for the purchase of Canadian goods and services;
3. to finance foreign buyers of Canadian capital goods and related services including engineering and other technical services;
4. to insure Canadian investments abroad against political risks such as loss through confiscation, expropriation, war or revolution or the inability to repatriate capital or earnings.

The Corporation encourages exporters to seek its advice and to discuss potential transactions at the earliest possible opportunity.

For further information, please consult the nearest regional office of EDC. (See APPENDIX for addresses.)

Export Promotion Programs

The department has two major trade development programs namely: the Promotional Projects Program (PPP) and the Program for Export Market Development (PEMD).

1. The Promotional Projects Program (PPP) where the department initiates, plans, selects the participants and implements all aspects of each of the following promotion programs:
 - a) participation in trade fairs outside Canada;
 - b) in-store promotions
 - c) incoming and outgoing trade missions
 - d) trade visitors (including incoming buyers)
 2. The Program for Export Market Development (PEMD) where the initiative rests with Canadian companies operating either individually or collectively in their particular marketing endeavours. Briefly, financial assistance is provided to help cover:
 - Section (A) precontractual and biddings costs for specific and capital projects
 - Section (B) travel and related costs in market identification and market adjustment
 - Section (C) costs of individual participation in foreign trade fairs
 - Section (D) specified costs of bringing foreign buyers to Canada
 - Section (E) feasibility study and initial operation of export consortia in Canada
 - Section (F) share the cost of establishing a permanent marketing office overseas
- Food: the traditional export market development activities ((A) to (F)) and the specialized export development needs for agriculture, fisheries and food products.
- Sections B, C, and D are decentralized to the regional offices of the Department of Regional Industrial Expansion
(See APPENDIX for addresses.)

Business Centre

A collect call from anywhere in Canada will put you in touch with the Business Centre maintained at the Department of Regional Industrial Expansion specifically to provide information on Government of Canada programs affecting your business. Ask your long distance operator for:

COLLECT (613) 995-5771

The Business Centre is located at;

Level 01 (Central area)
235 Queen Street
Ottawa, Ontario
K1A 0H5

Publicity

The department publishes 10 issues a year of both "Canada Commerce" in English and "Commerce Canada" in French. The magazine contains articles and reports on export opportunities; government services to industry, international market conditions and terms of access; industrial development; and joint industry-government efficiency studies.

"Tsusho News" is published three times a year. Specially edited for the Japanese market it is read by key contacts in Japanese business and government. The issues cover an extensive range of sectors of particular interest to the Japanese including high technology, manufactured goods, manufactured wood products, Canadian fish products, etc. Each issue contains a list of upcoming trade shows in Japan in which Canadian companies are participating as well as the names of Canadian companies seeking representation in Japan.

International Bureaux

The International Trade Bureaux of the Department of External Affairs are the central contact point on matters affecting Canada's trade and economic relations with other countries and areas. They are the central source of intelligence for developing trade relations and export marketing strategies. The Bureaux can provide: market and distribution information, market access information such as tariffs, health regulations, import licensing, product standards, etc.; as well as departmental and media publications. For information on specific aspects of exporting to Japan, contact:

Pacific Trade Development Division
Pacific Bureau
Department of External Affairs
Ottawa, Ontario
Canada K1A 0G2
Tel: (613) 995-7752
Telex: 053-3745

X. Appendix

Useful Addresses

In Japan

The Canadian Embassy
3-38, Akasaka 7-chome
Minato-ku, Tokyo 107
Tel: (03) 408-2101
Telex: DOMCAN J22218
Facsimile (G2): 03-479-5320

Canada Trade Centre
World Import Mart, 7F
Ikebukuro Sunshine City
1-3, Higashi Ikebukuro 3-chome
Toshima-ku, Tokyo 170
Tel: 03-987-2794

Provincial Offices

Government of Alberta
Shin Aoyama Building (West)
1-1, Minami Aoyama 1-chome
Minato-ku, Tokyo 107
Tel: 03-475-1171
Telex: J28543

Government of Ontario
World Trade Centre Building, Room 1219
4-1, Hamamatsucho 2-chome
Minato-ku, Tokyo 105
Tel: 03-436-4355
Telex: J27145

Délégation du Québec
Sanno Grand Building, Suite 501
14-2, Nagata-cho 2-chome
Chiyoda-ku, Tokyo 100
Tel: 03-581-4618
Telex: 722-3842

Canadian Banks

Bank of Montreal	Tel: 03-211-8884
Bank of Nova Scotia	Tel: 03-213-2766
Canadian Imperial Bank of Commerce	Tel: 03-595-1531
Royal Bank of Canada	Tel: 03-595-1251
Toronto Dominion Bank	Tel: 03-214-4485

Major Airlines

CP Air	Tel: 03-281-7426
Air Canada	Tel: 03-586-3891
Air France	Tel: 03-475-1511
Air India	Tel: 03-214-1981
Alitalia	Tel: 03-580-2181
British Airways	Tel: 03-214-4161
CAAC	Tel: 03-234-5363
Cathay Pacific	Tel: 03-504-1531
China Airlines	Tel: 03-436-1661
Garuda	Tel: 03-593-1181
Japan Airlines	Tel: 03-747-1111
KLM	Tel: 03-216-0771
Korean Airlines	Tel: 03-211-3311
Lufthansa	Tel: 03-580-2111
MAS	Tel: 03-503-5961
Northwest	Tel: 03-433-8151
Pan American	Tel: 03-240-8888
Philippine Airlines	Tel: 03-593-2421
Qantas	Tel: 03-212-1351
Singapore Airlines	Tel: 03-213-3431
Swiss Air	Tel: 03-212-1016
United Airlines	Tel: 03-213-4511

Canadian Railways

CN Railways	Tel: 03-581-9126
CP Rail	Tel: 03-213-6926

Major Hotels

Akasaka Prince Hotel	Tel: 03-234-1111
Akasaka Tokyu Hotel	Tel: 03-580-2311
Hotel Century Hyatt	Tel: 03-349-0111
Imperial Hotel	Tel: 03-504-1111
Keio Plaza	Tel: 03-344-0111
Hotel New Otani	Tel: 03-265-1111
Hotel Okura	Tel: 03-582-0111
Palace Hotel	Tel: 03-211-5211
President Hotel	Tel: 03-497-0111
Tokyo Hilton Hotel	Tel: 03-581-4511
Tokyo Prince Hotel	Tel: 03-432-1111

In Canada

Japanese Government Offices in Canada

Commercial Counsellor
Embassy of Japan
255 Sussex Drive
Ottawa, Ontario
K1N 9E6
Tel: (613) 236-8541

Consul General
Consulate General of Japan
Suite 1210, 1177 West Hastings Street
Vancouver, British Columbia
V6E 2K9
Tel: (604) 684-5868

Consul General
Consulate General of Japan
Suite 2701
C.I.B.C. Building
1155 Dorchester Boulevard West
Montreal, Quebec
H3B 2K9
Tel: (514) 866-3429

Consul General
Consulate General of Japan
Toronto-Dominion Centre
Suite 1803
P.O. Box 10
Toronto, Ontario
M5K 1A1
Tel: (416) 363-7038

Consul General
Consulate General of Japan
730-215 Garry Street
Credit Union Central Plaza
Winnipeg, Manitoba
R3C 3P3
Tel: (204) 943-5554

Consul General
Consulate of Japan
Suite 2600
10020-100th Street
Edmonton, Alberta
T5J 0N4
Tel: (403) 422-3752

JAPAN TRADE CENTRE, TORONTO
Suite 700 Britannica House
151 Bloor Street West
Toronto, Ontario
M5S 1T7
Tel: (416) 962-5050

JETRO VANCOUVER OFFICE
Room 916, Standard Building
510 West Hastings Street
Vancouver, British Columbia
V6B 1L8
Tel: (604) 684-4174

JETRO MONTREAL OFFICE
16 Fundy, Floor F
Place Bonaventure
Montreal, Quebec
H5A 1C5
Tel: (514) 861-5240

JETRO EDMONTON OFFICE
1626 Principal Plaza
10303-Jasper Avenue
Edmonton, Alberta
T5J 3N6
Tel: (403) 428-0866

Japanese Trading Companies in Canada

Chori Canada Limited
Toronto Branch
443 University Avenue
Suite 201
Toronto, Ontario
M5G 1T8
Tel: (416) 598-4066

C. Itoh & Company (Canada) Limited
150 Bloor Street West
Suite 510
Toronto, Ontario
M5R 2X9
Tel: (416) 926-0471

Kanematsu-Gosho (Canada) Inc.
188 University Avenue
Suite 401
Toronto, Ontario
M5H 3C3
Tel: (416) 593-5333

Marubeni Canada Limited
Suite 1710, Exchange Tower
P.O. Box 422
2 First Canadian Place
Toronto, Ontario
M5X 1E3
Tel: (416) 368-1171

Mitsubishi Canada Limited
2800-200 Granville Street
Vancouver, British Columbia
V6C 1G6
Tel: (604) 682-0666

Mitsui & Company (Canada) Limited
Royal Bank Plaza
Suite 3333
South Tower
(Corner of Front and Bay Streets)
Toronto, Ontario
M5J 2J2
Tel: (416) 865-0330

Nichimen Company Inc.
555 Chabanel Street West
Room M38
Montreal, Quebec
H2N 2H7
Tel: (514) 384-8783
Telex: 05-827501

Nissho-Iwai Canada Limited
Suite 3202
20 Queen Street West
Toronto, Ontario
M5H 3R3
Tel: (416) 977-8182

Sumitomo (Canada) Limited
Suite 2301
Commerce Court West
P.O. Box 53
Toronto, Ontario
M5L 1B9
Tel: (416) 860-3800

Toyo Menka Inc.
Montreal Office
Suite 3404
1155 Dorchester Boulevard West
Montreal, Quebec
H3B 3T3
Tel: (514) 871-8914

GOVERNMENT OF CANADA

REGIONAL INDUSTRIAL EXPANSION OFFICES

If you have not previously marketed abroad, contact any regional trade officer of the Department of Regional Industrial Expansion at the addresses listed below:

NEWFOUNDLAND LABRADOR	Parsons Building P.O. Box 8950 90 O'Leary Avenue St. John's, Newfoundland A1B 3R9 Tel: (709) 772-5511 Telex: 016-4749
NOVA SCOTIA	Suite 1124, Duke Tower Scotia Square 5251 Duke Street Halifax, Nova Scotia B3J 1P3 Tel: (902) 426-7540 Telex: 019-21829
NEW BRUNSWICK	P.O. Box 573 590 Brunswick Street Fredericton, New Brunswick E3B 5A6 Tel: (506) 452-3190 Telex: 014-46140
PRINCE EDWARD ISLAND	P.O. Box 1115 134 Kent Street Charlottetown, Prince Edward Island C1A 7M8 Tel: (902) 566-7440 Telex: 014-44129
QUEBEC	Stock Exchange Tower 800 Victoria Square 12th Floor P.O. Box 247 Montreal, Quebec H4Z 1E8 Tel: (514) 283-6778 Telex: 055-60768
ONTARIO	1 First Canadian Suite 4840 P.O. Box 98 Toronto, Ontario M5X 1B1 Tel: (416) 365-3737 Telex: 065-24378

MANITOBA	400-3 Lakeview Building 185 Carlton Street P.O. Box 981 Winnipeg, Manitoba R3C 2V2 Tel: (204) 949-2381 Telex: 075-7624
SASKATCHEWAN	814 Bessborough Tower 601 Spadina Crescent East Saskatoon, Saskatchewan S7K 3G8 Tel: (306) 665-4343 Telex: 074-2742
ALBERTA NORTHWEST TERRITORIES	The Cornerpoint Building 10179-105th Street Edmonton, Alberta T5J 3S3 Tel: (403) 420-2944 Telex: 034-2762
BRITISH COLUMBIA YUKON	P.O. Box 49178 Bentall Postal Station 1055 Dunsmuir Street Vancouver, British Columbia V7X 1K8 Tel: (604) 666-1434 Telex: 045-1191

REGIONAL OFFICES OF EXPORT DEVELOPMENT CORPORATION

HEAD OFFICE	110 O'Connor Street Ottawa, Ontario K1P 5T9 Tel: (613) 237-2570
ATLANTIC REGION	Export Development Corporation Suite 1401 Toronto-Dominion Bank Building 1791 Barrington Street Halifax, Nova Scotia B3J 3L1 Tel: (902) 429-0426
QUEBEC REGION	Export Development Corporation Suite 2724, 800 Victoria Square P.O. Box 124 Tour de la Bourse Postal Station Montreal, Quebec H4Z 1C3 Tel: (514) 878-1881
ONTARIO REGION	Export Development Corporation Suite 810 National Bank Building P.O. Box 810 150 York Street Toronto, Ontario M5H 3S5 Tel: (416) 364-0135
WESTERN REGION	Export Development Corporation Suite 1030, One Bentall Centre 505 Burrard Street Vancouver, British Columbia V7X 1M5 Tel: (604) 688-8658

SOURCES OF ADDITIONAL INFORMATION

GENERAL READING

Christopher, Robert. *The Japanese Mind* (New York, Simon and Shuster, 1983)

Reischauer, Edwin, O. *The Japanese* (Cambridge, Massachusetts: Harvard University Press, 1978)

Peters, Thomas and Waterman, Robert H. Jr: *In Search of Excellence*. Lessons from America's Best Run Companies (New York, Harper and Row, 1982)

INDUSTRY AND COMMERCE

Canada's Export Development Plan for Japan (Government of Canada, External Affairs, 1982)

Van Zandt, Howard F. *How to Negotiate in Japan* (Harvard Business Review November-December, 1970 — pp 45-56)

Eigenbaum, Edward and McCorduck, Pamela. *The Fifth Generation* (Artificial Intelligence and Japan's Computer Challenge to the World) (Reading, Massachusetts, Addison-Wesley Publishing Company, 1983)

Wright, Richard W. *Canadian Joint Ventures in Japan* (The Business Quarter, School of Business Administration, University of Western Ontario, London, Ontario)

ASIA AND PACIFIC BRANCH

Available from Pacific Trade Development Division, Pacific Bureau, External Affairs, Ottawa, Ontario
Tel: (613) 995-7752

ITC-Industrial Property-Protection and Licensing
ITC-Shipping Documents and Custom Regulations in Japan
ITC-Product Standards in Japan
ITC-Distribution of Your Product in Japan
How to Support a Sales Representative in Japan

Available from Regional Offices of Regional Industrial Expansion

JETRO MARKETING SERIES
BUSINESS INFORMATION SERIES (JETRO)

AUDIO-VISUAL CASSETTES

1. Doing Business in Japan: Negotiating a Contract
2. Ritual: The Collective Psyche of Japan
3. The Door Is Open Now: Japan's Imports on the Rise
4. The Japanese Economy Now

5. Canada Trade Centre — How to Market Your Products in Japan
6. Où est le vrai Japon? (Quebec and Montreal only)
7. Quatre femmes, quatre choix (Quebec and Montreal only)

Publications available from The Japan Trade Centre,
Suite 700, Britannica House, 151 Bloor Street West,
Toronto, Ontario M5S 1T7; Tel: (416) 962-5050

JETRO MARKETING SERIES-Business Information Series-
Access to Japan's Import Market Series-Your Market in
Japan Series

FACT AND FIND SERIES-No. 1 — Keys to Success in the
Japanese Market (1980) (36 pages). 2 — Inside the Japan-
ese Market for Manufactured Imports (1980) (30 pages)

DIRECTORIES

Industrial Groupings in Japan — A guide to the affiliations
of the Japanese trading companies. Dodwell and Co. Ltd.

PERIODICALS

Dentsu's Japan Marketing Twice a year. Published by
Dentsu Advertising Ltd. Address 11-10 TSUKJI 1-chome,
Chuo-ku, Tokyo. Tel: (03) 543-8111

All Asia Guide, Annual, Published by The Far Eastern Eco-
nomic Review, Hong Kong

Business Week

Economist

Economic Intelligence Unit — Quarterly Report

Fortune

Time-Japan-A Nation in Search of Itself, August 1, 1983

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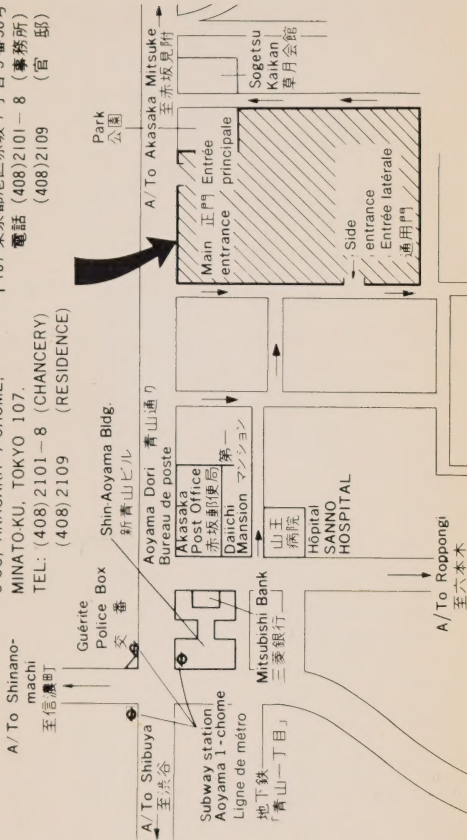
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EMBASSY OF CANADA
Ambassade du Canada

カナダ大使館

〒107 東京都港区赤坂7丁目3番38号
電話 (408)2101-8 (事務所)
(408)2109 (官邸)

3-38, AKASAKA 7-CHOME,
MINATO-KU, TOKYO 107.
TEL: (408) 2101-8 (CHANCERY)
(408) 2109 (RESIDENCE)





External Affairs
Canada

Affaires extérieures
Canada

Canada